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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of

Implementation of Section 17 of the
Cable Television Consumer Protection
and Competition Act of 1992

Compatibility Between Cable Systems
and Consumer Electronics Equipment

ET Docket No. 93-7

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FEDERAL COMMUNICATIONS COMMISSION
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To: The Commission

REPLY COMMENTS OF CABLEVISION SYSTEMS CORPORATION

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To: The Commission

REPLY COMMENTS OF CABLEVISION SYSTEMS CORPORATION

Cablevision Systems Corporation ("Cablevision"), by its attorneys, hereby respectfully submits its reply comments in response to the Notice of Proposed Rulemaking ("Notice")^{1/} in the above-captioned proceeding. These comments primarily reflect Cablevision's concern that the Commission's short-term proposals regarding supplementary equipment and the mandated provision of basic service "in the clear" will compromise signal security, create new sources of consumer confusion, and reverse advances made to resolve direct pick up interference, picture quality, channelization and signal leakage problems. As Cablevision emphasized in its initial comments, the Commission should not sacrifice advances made on several fronts to move forward incrementally on another.

^{1/} In the Matter of Implementation of Section 17 of the Cable Television Consumer Protection and Competition Act of 1992, Compatibility Between Cable Systems and Consumer Electronics Equipment, ET Docket No. 93-7 (rel. Dec. 1, 1993).

I. IN THE SHORT TERM CABLE OPERATORS SHOULD NOT BE REQUIRED TO OFFER BOTH MULTIPLE DESCRAMBLERS AND BYPASS SWITCHES OR TO DESCRAMBLE BASIC TIER SERVICES

Cablevision fully supports the goal of assuring compatibility between cable systems and consumer electronics equipment, both in the short and long term. Based on first-hand experience in New York City and other urban areas, however, Cablevision strongly believes that the short-term solutions involving the provision of supplementary equipment and the delivery of basic tier services "in the clear" proposed by the Commission could frustrate that goal by creating new sources of consumer confusion and reintroducing significant signal security, picture quality, direct pick up ("DPU") interference, channelization and signal leakage problems.

Consequently, Cablevision continues to support a reasonable consumer information and education program as the only mandated interim measure.^{2/} Should the Commission deem additional relief necessary, Cablevision urges adoption of a requirement that permits cable operators to provide requesting subscribers either multiple descramblers or bypass switches, depending on which technology is more appropriate for the particular system. Operators should not, however, be forced to provide both types of supplementary equipment or to offer signals carried on the basic service tier "in the clear."

Any other result could lead to undesirable and unintended consequences, particularly in major urban markets like New York City. As noted by the New York City Department of Telecommunications and Energy, urban subscribers are particularly susceptible to DPU

^{2/} Cablevision and numerous other commenters support cable operator notifications which inform customers regarding the commercial availability of compatible equipment, so long as cable operators are not required to name all specific models of compatible equipment or all sources for such equipment in the notices they provide. See Comments of Greater Media, Inc. at 5-6 ("Greater Media Comments"); Comments of Tele-Communications, Inc. at 7-11 ("TCI Comments"); Comments of Time Warner Entertainment Company, L.P. at 6-12 ("Time Warner Comments"); Comments of Continental Cablevision, Inc. at 14-16 ("Continental Comments").

interference when their receivers are directly connected to cable systems because of the close proximity of broadcast transmitters and cable system installations.^{3/} In Cablevision's 550 MHz New York City systems, for example, the use of bypass switches would inevitably result in substantial signal ingress and egress problems, including DPU interference, and channelization incompatibilities. Bypass would also result in must carry conflicts and subscriber confusion, since Cablevision currently must use converters in New York City to carry television broadcast stations on the channels mandated by the must carry rules. This is made necessary by the proximity of the local broadcasters' transmission facilities and the resultant DPU interference.

Bypass and the provision of basic service in the clear would also create new sources of consumer confusion in these systems, as subscribers learn that they still need a converter to view an acceptable picture (and to utilize watch and record and picture-in-picture functions with any scrambled signals they receive).^{4/} At the same time, unscrambling the basic tier in New York City would unduly exacerbate theft of signal problems, hinder Cablevision's ability in the near term to continue to offer subscribers "a la carte" services and other innovative packaging options, and prevent it from deauthorizing service in recurrent non-payment situations without

^{3/} Comments of the New York City Department of Telecommunications and Energy at 10 (noting that leakage, interference, and emission standards designed to prevent DPU interference are especially critical in urban areas like New York City) ("New York City Comments"). See also J. Stern, Direct Pickup Interference in a World Without Converters, Communications Technology, July 28, 1993 at 26, 51 (indicating that DPU problems are prevalent for subscribers using cable-ready equipment in urban areas where VHF and UHF stations operate at 550 MHz and below) ("Stern Study").

^{4/} This fact undermines New York City's argument that mandatory descrambling will eliminate the need for set-top devices to view the basic service tier. New York City Comments at 5. In the majority of cases, a converter will be needed to resolve DPU interference problems alone. See Stern Study at 51 (predicting that 47.8% of all urban/suburban households in the U.S. may be subject to DPU from the combined transmissions of VHF and UHF stations operating at 550 MHz and below).

incurring the substantial costs associated with making a separate truck roll to each home to disconnect (and reconnect) service.^{5/}

For these reasons, the Commission should not restrict scrambled delivery of basic tier services where technically and economically justified.^{6/} Rather, cable operators should be given the discretion to decide which technology will most effectively address current compatibility problems. This solution will permit operators to select bypass technologies in systems where the use of multiple descramblers is infeasible.^{7/} In markets where the use of a bypass switch is likely to create significant technical problems, consumer confusion, and conflicts with the cable operator's must carry obligations, the cable operator could deploy multiple descramblers. In fact, in an effort to enhance compatibility, Cablevision has sought dual descrambling converters for deployment in its New York City systems.

^{5/} Cablevision Comments at 7.

^{6/} As numerous commenters demonstrate, scrambling is justified in certain systems for signal security and cost reasons and as a means of enhancing consumer choice. See, e.g., Cablevision Comments at 7; Continental Comments at 9-14; Comments of Barden Cablevision at 2-9 ("Barden Comments"); Time Warner Comments at 5. As proposed by Cablevision, at a minimum the Commission should grandfather those systems which are currently scrambling the basic tier if it adopts the prohibition it has proposed. Cablevision Comments at 7. See also Continental Comments at 14; Barden Comments at 4-7. Moreover, if the Commission insists on prohibiting scrambling in the future, it should adopt an expedited waiver process. See Continental Comments at 14.

^{7/} As noted in Cablevision's initial comments and by other commenters, there may be systems where a compatible multiple descrambler is unavailable or is otherwise infeasible to use. See Cablevision Comments at 4 n.4, Greater Media Comments at 4. As proposed by Cablevision, the deadline adopted for the offering of such equipment (and equipment mandated in the long-term) should take into account delays in equipment availability caused by increased demand.

II. THE COMMISSION'S LONG TERM PROPOSALS MUST ENSURE THAT CABLE SYSTEMS AND NEW CONSUMER ELECTRONICS EQUIPMENT ARE COMPATIBLE

As Cablevision and others have urged,^{8/} in adopting regulations for new equipment, the Commission must avoid the creation of new incompatibilities by rejecting calls for "migration" plans under which some equipment will comply at frequencies up to 1 GHz while other equipment complies only up to 750 MHz.^{9/} Rather, the Commission should require consumer electronics equipment and cable systems to be capable of tuning and operating at frequencies up to 1 GHz using the EIA/ANSI IS-6 channel identification plan.^{10/} Permitting the manufacture of TV receivers and VCRs capable of tuning only up to 750 MHz while cable systems are engineered up to 1 GHz will frustrate efforts to enhance compatibility since such receivers will require the renewed use of converters or other devices to enable subscribers to receive the full range of channels delivered by cable operators.^{11/}

^{8/} Cablevision Comments at 11-13. See also NYC Comments at 10 (recommending no migration plan to 1 GHz since such a plan will promote consumer confusion and create a generation of equipment incompatible with new and rebuilt cable systems).

^{9/} Comments of the Cable-Consumer Electronics Advisory Group, Appendix C, at 4.

^{10/} Notice at ¶ 19, et seq. See also id. at ¶ 24 (proposing to apply isolation requirements to frequencies up to 1 GHz), New York City Comments at 9, TCI Comments at 18. Specifically, as indicated in its initial comments, Cablevision, like New York City and others, supports a tuning range for consumer equipment that requires all receive equipment manufactured or imported after December 31, 1996 to be capable of tuning up to 1 GHz and, beginning after that date, input selector switches to meet Part 15 isolation rules at frequencies up to 1 GHz. Id. If manufacturers cannot meet these standards by then, the compliance date should be moved forward so that the next generation of consumer electronics is fully compatible with advanced cable systems.

^{11/} Similarly, as Cablevision and Bell Atlantic propose, emission standards should reflect the widespread deployment of two-way systems and apply to all frequencies between 5 and 54 MHz, as well as to frequencies between 54 and 1002 MHz. See Cablevision Comments at 11-13; Greater Media Comments at 8; Comments of The Bell Atlantic Telephone Companies at 3.

Likewise, as urged by a myriad of commenters, the proposed Decoder Interface must be broadly compatible. To ensure consumer use of advanced features and functionalities in the future, the Commission must require consumer electronics manufacturers to include one Decoder Interface for each tuner included in a TV receiver or VCR. At the same time, the Decoder Interface connector must be capable of processing digital as well as analog signals.^{12/} Cablevision believes, moreover, that the Decoder Interface should be "backwards compatible" so that existing scrambling technologies can continue to be used in connection with the delivery of signals to the new consumer equipment.

III. CABLE OPERATORS SHOULD BE PERMITTED TO CHARGE SUBSCRIBERS FOR COMPONENT DESCRAMBLER/DECODERS AND ANY RELATED EQUIPMENT

Cablevision strongly disagrees with New York City's suggestion that cable operators should be prohibited from separately charging for decoder/descramblers and their installation because this equipment purportedly serves only a security function and therefore should be considered part of general cable plant.^{13/} Contrary to New York City's view, such equipment is no more a part of the general cable network than converters and other existing descrambling equipment that is currently unbundled and regulated under the Commission's actual cost standard. Unlike cable plant, moreover, a descrambler/decoder presumably will be installed

^{12/} Cf. Notice at ¶ 29 (proposing to require cable operators to provide equipment capable of processing scrambled and/or digital video service through the Decoder Interface connector). See also TCI Comments at 21 (arguing that a hybrid analog/digital interface will better serve the consumer).

^{13/} New York City Comments at 12.

only on the premises of subscribers who request the equipment because they have purchased a TV or VCR with the Decoder Interface.^{14/}

As numerous commenters demonstrate, this proposed rate regulatory treatment of descrambler/decoders conflicts with both the letter and spirit of the statute and regulatory provisions, would unfairly spread the cost of this equipment across all subscribers, and would do little to encourage the cable operator to deliver signals in the clear, given the limitations of currently available clear channel delivery systems.^{15/} As Continental points out, moreover, the fact that the unbundled charge for the descrambler/decoder will inevitably be lower than the charge imposed for an addressable converter under the rate regulation rules will act as an incentive for consumers to migrate to TV receivers with conversion functions.^{16/}

IV. THE COMMISSION SHOULD APPLY WHATEVER COMPATIBILITY REQUIREMENTS IT ADOPTS FOR CABLE OPERATORS TO ALL MULTICHANNEL VIDEO PROGRAM DISTRIBUTORS

Finally, the Commission should reject the self-serving request of some telephone company interests for exemption from whatever compatibility requirements are applied to cable television.^{17/} As Cablevision and Continental urge, there is simply no reasonable basis for

^{14/} See Cablevision Comments at 14.

^{15/} Cablevision Comments at 14-16. See also Continental Comments at 4-9; Comments of Cox Cable Communications and Newhouse Broadcasting Corporation at 3-17; Greater Media Comments at 9-10; Time Warner Comments at 14-17; TCI Comments at 24-27; Comments of Zenith Electronics Corporation at 4; Comments of General Instrument Corporation at 23-25; Comments of the Cable Telecommunications Association at 6-7.

^{16/} Continental Comments at 7-9.

^{17/} See Comments of BellSouth Telecommunications, Inc. at 1-3; Comments of the United States Telephone Association at 1-3 (requesting clarification that the proposed standards apply only to analog cable services).

distinguishing among distributors of video programming, given that the goal of this proceeding is to enhance the subscribers' ability to utilize the advanced features and functions of their consumer electronics equipment.^{18/} In the absence of such an even-handed policy, subscribers who receive programming from distributors other than cable operators will continue to experience incompatibilities. Consequently, all multichannel video programming distributors should be required to channelize their delivery systems in a manner consistent with the amended EIA/IS-6, either throughout the network or by some device in the consumer's home, to provide a decoder/descrambler compatible with the Decoder Interface connector, to educate and notify consumers regarding compatibility problems, and to assume any other obligations imposed on cable operators with respect to these matters.

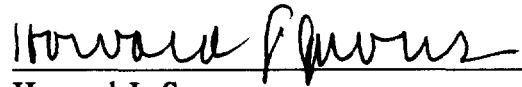
^{18/} Cablevision Comments at 16-17; Continental Comments at 17-18.

CONCLUSION

Consistent with the statutory mandate to balance the goals of compatibility and signal security, the Commission should modify its proposed compatibility requirements as requested by Cablevision in its initial comments in this proceeding and as described above.

Respectfully submitted,

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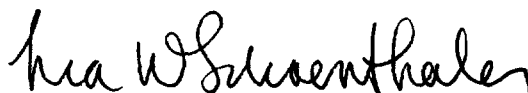
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February 16, 1994

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CERTIFICATE OF SERVICE

I, Lisa W. Schoenthaler, do hereby certify that copies of the foregoing Reply Comments of Cablevision Systems Corporation were served on the following this 16th day of February, 1994, by either first class mail, postage pre-paid.



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